



U.S. DEPARTMENT OF THE INTERIOR

SmartPay Program Management Control Event Cycle Report

November 1999
Office of Financial Management

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Part I. Introduction

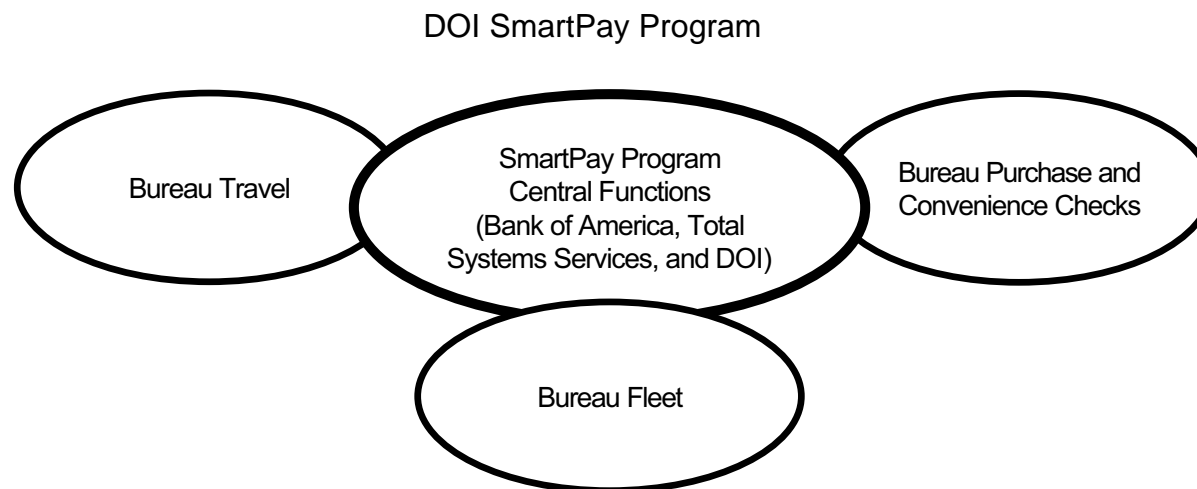
Objective

The purpose of this report is to identify and document the management control event cycles and potential control weaknesses associated with the FY 1999 SmartPay Program. The management control event cycles are presented at the Department and bureau program level. This information is presented to assist the Office of Inspector General in its evaluation of internal controls related to the audit of FY 1999 Department and bureau financial statements. It is also intended to assist Department SmartPay Program Coordinators and bureau finance and procurement office staff in the design, implementation, analysis, and enhancement of the SmartPay Program management controls.

SmartPay Program Overview

The SmartPay Program comprises the SmartPay central support functions and four Department business lines including purchase and convenience checks, travel, and fleet (see Figure 1). The Department has elected to employ an integrated approach to the support these functions through the use of a single Bank of America MasterCard. The SmartPay Program incorporates various accounting and administrative processes and functions, and transaction processing, provided by the Bank of America, Total Systems Services, Inc., and Department procurement and finance offices.

Figure 1



The management controls over the SmartPay Program is separated into (1) central functions operated on a departmentwide basis in conjunction with the BOA MasterCard and (2) the distributed processes operated by the individual bureaus of the Department. The primary management control event cycles of the SmartPay Program central functions include:

1. **Card Setup:** The process of designating and approving employees to receive the BOA MasterCard, training, and identifying the account's default accounting code and authorization levels for card usage.
2. **Card Maintenance:** The process for revising and updating employee authorization levels, and access to SmartPay information system.
3. **Government Card Services Unit (GCSU):** The BOA organization that processes card applications and provides customer support.
4. **Total Systems Services:** The private transaction processing company subcontracted by BOA to approve card transaction requests from vendors, process card transactions, and develop transaction files for EAGLS.
5. **Electronic Account Government Ledger Systems (EAGLS):** The BOA Internet based software program that develops final billing files and prepares program reports.
6. **DOI Invoice and Payment Processing:** The process for processing BOA invoice files, posting to the General Ledger, and payment processing.

Macro-level program flow charts and cycle diagrams for each of these events are presented in Parts II and III, respectively, of this report.

Each bureau has implemented and operates a unique SmartPay Program for their purchase and convenience checks, travel, and fleet functions. In implementing their programs, bureaus were expected to adhere to the Department's general policies and procedural guidance for the SmartPay Program. The Department's policies and procedural guidance for the SmartPay Program is available on the Internet at <http://www.ios.doi.gov/pam/charge/html>.

The Department's Finance Officers' Partnership (FOP) established a work group to survey the management controls in place for the SmartPay Program in each bureau and offices. Based on this survey, the FOP work group developed the bureau-level event cycles for the purchase and convenience checks, travel, and fleet functions. These event cycles are presented in Part IV of this report. Bureau-level event cycles identify the risks, control objectives, and techniques including:

- Ia. Purchase Card Process
 - 1. Issuance of Purchase Credit Card
 - 2. Cardholder Usage
 - 3. Receipts of Transactions File From Bank of America
 - 4. Payment of Bank of America Invoice
 - 5. Review of Transaction Data

- Ib. Convenience Check Process
 - 1. Issuance of Convenience Checks
 - 2. Checkwriter Usage
 - 3. Charge Billed to Bureau by Bank of America
 - 4. Receipt of Transactions File from Bank of America
 - 5. Payment of Bank of America Invoice
 - 6. Review of Transaction Data

- II. Travel Card Process
 - 1. Card Issuance
 - 2. Cardholder Usage for Travel Related Expenses
 - A. Transportation
 - B. Rental Vehicles
 - C. Lodging Expenses
 - D. ATM Withdrawal
 - E. Meals and Incidental Expenses
 - 3. Charge Billed to Bureau by Bank of America
 - 4. Billing Statement Sent to Cardholder
 - 5. Payment of Bank of America Invoice
 - 6. Review of Transaction Data
 - 7. Delinquency

III. Fleet Card Process

1. Card Issuance
2. Fleet Credit Card Usage
3. Receipt of Transactions File from Bank of America
4. Payment of Bank of America Invoice
5. Review of Transaction Data
6. Review of Transaction Data

IV. Uniform Credit Card Process

1. Issuance
2. Card Usage
3. Transaction Files from BOA
4. Payment of BOA
5. Review of Transaction File

Bureaus and offices are currently implementing the management controls identified in the FOP work group event cycles. Progress in implementing these controls varies among bureaus.

Part II. Macro-level Program Flowcharts

Part II-1. SmartPay Program Responsibilities

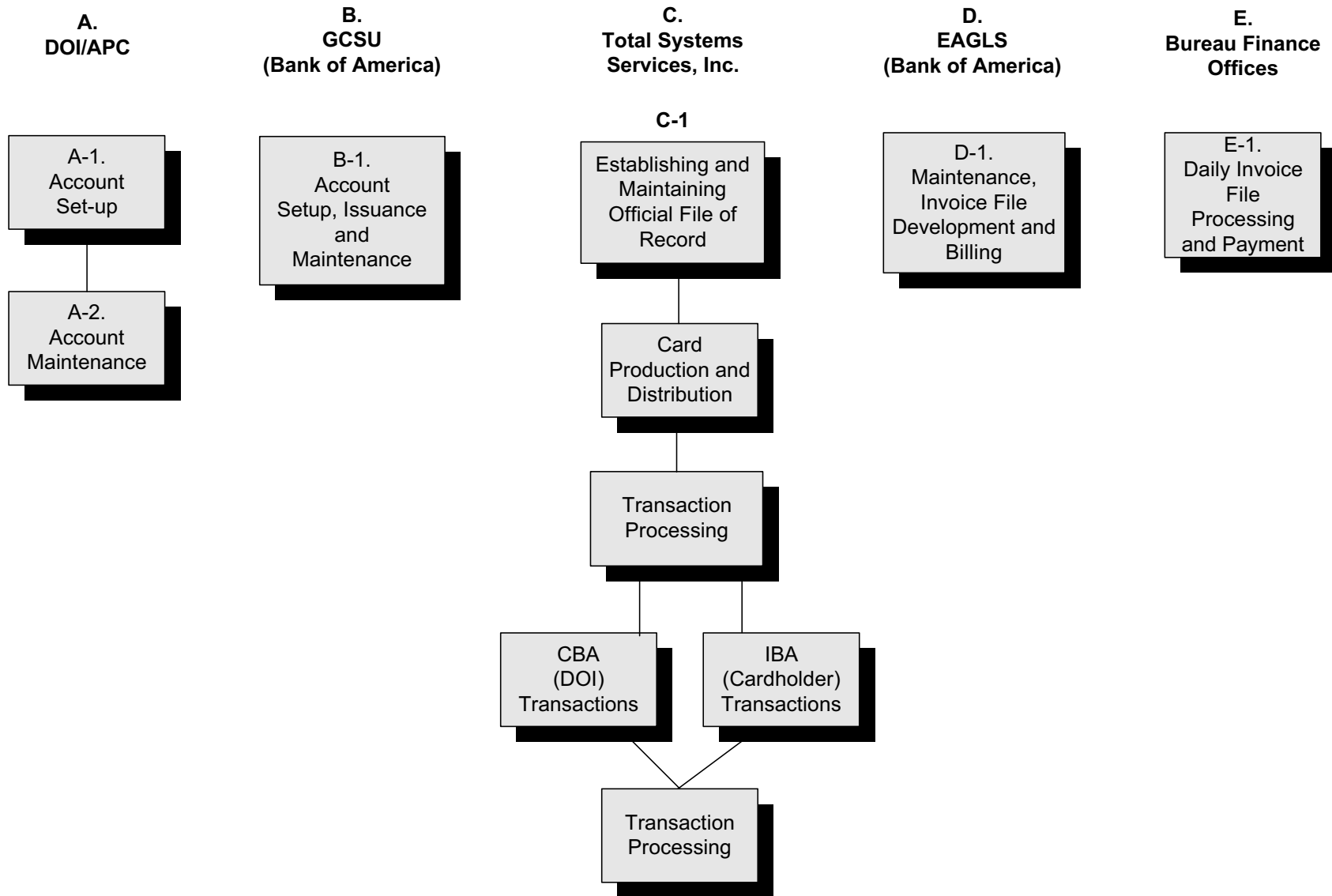
Part II-2. Account Setup

Part II-3. Account Maintenance

Part II-4. Transaction, Billing, and Payment Process

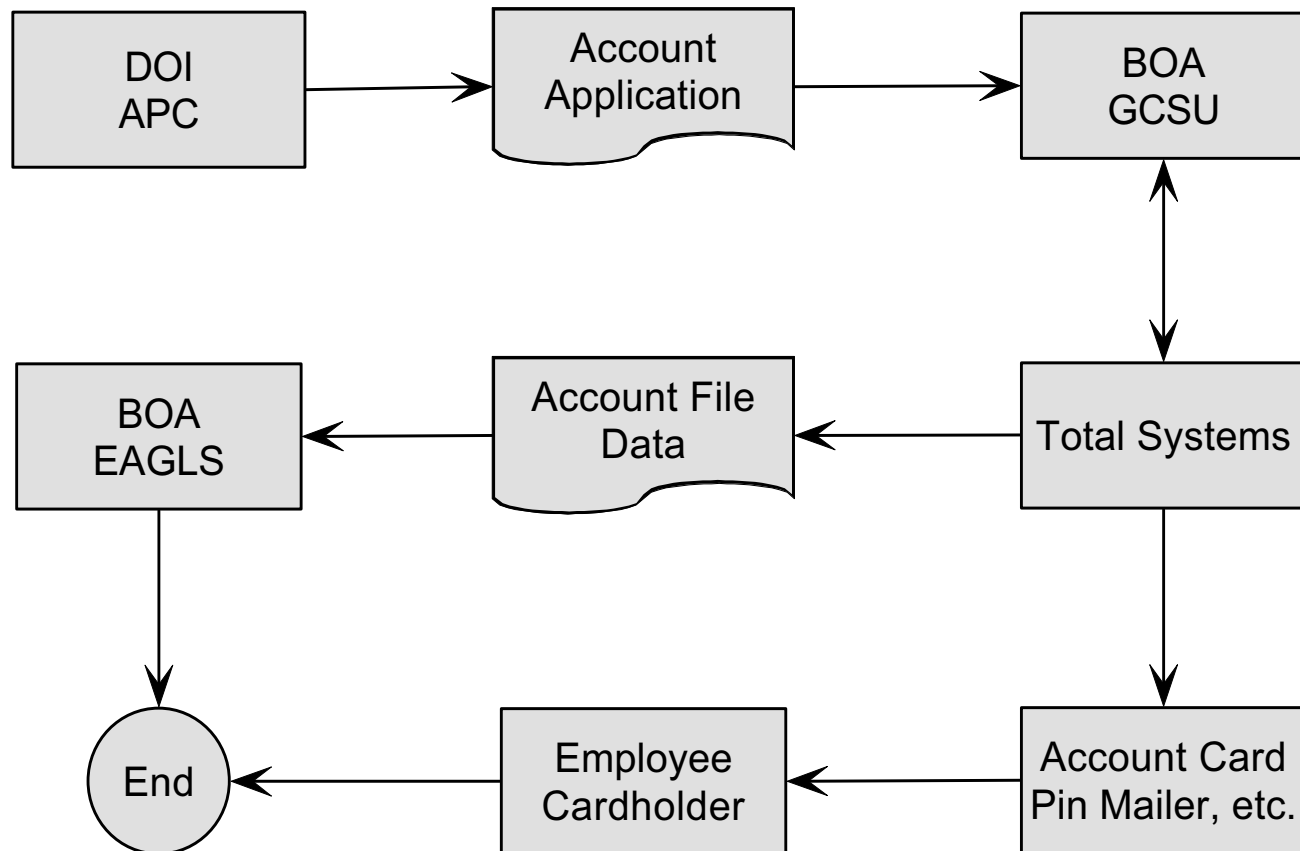
Department of the Interior SmartPay Program Responsibilities

Part II-I



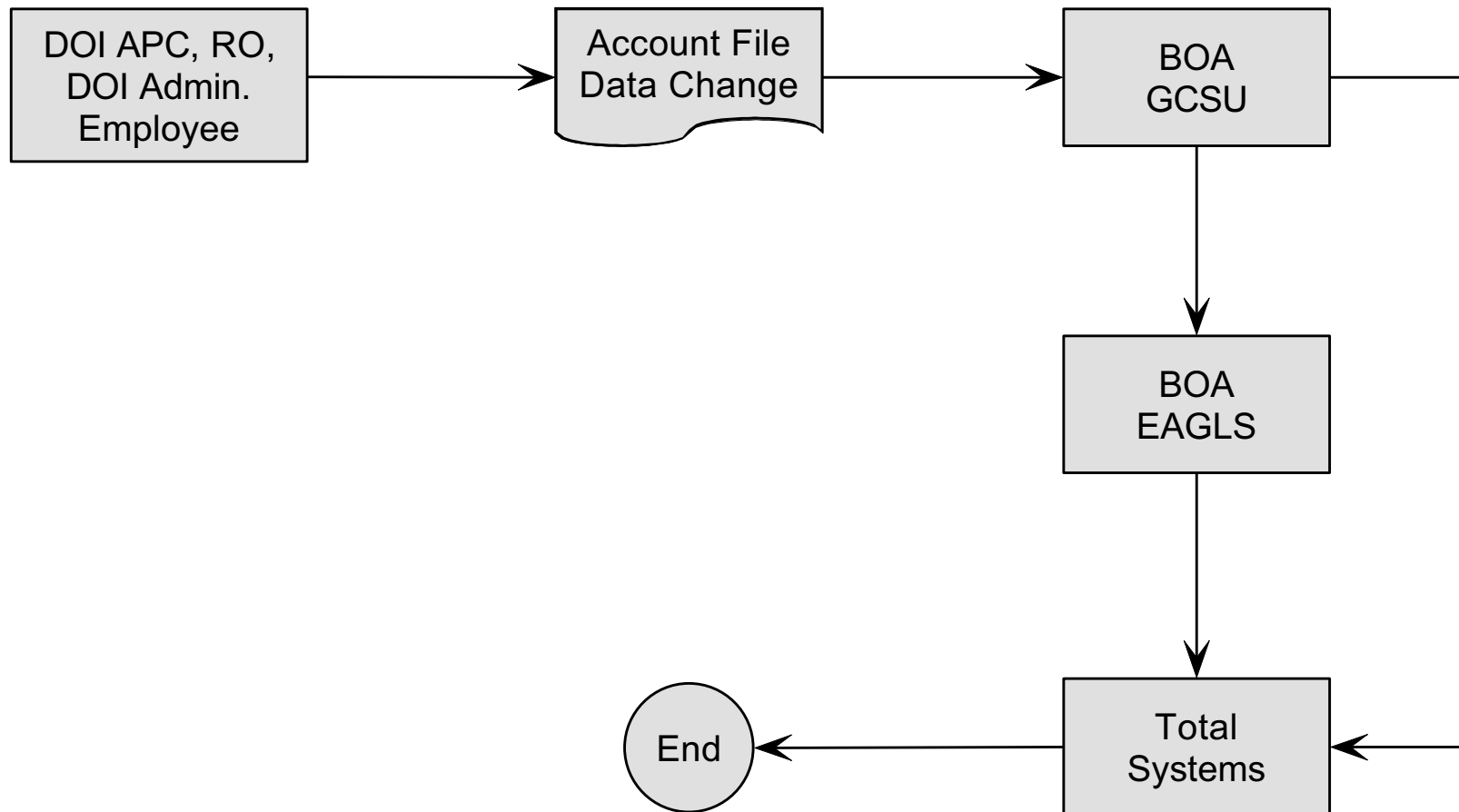
BOA SmartPay Program Account Set-up

Part II-2



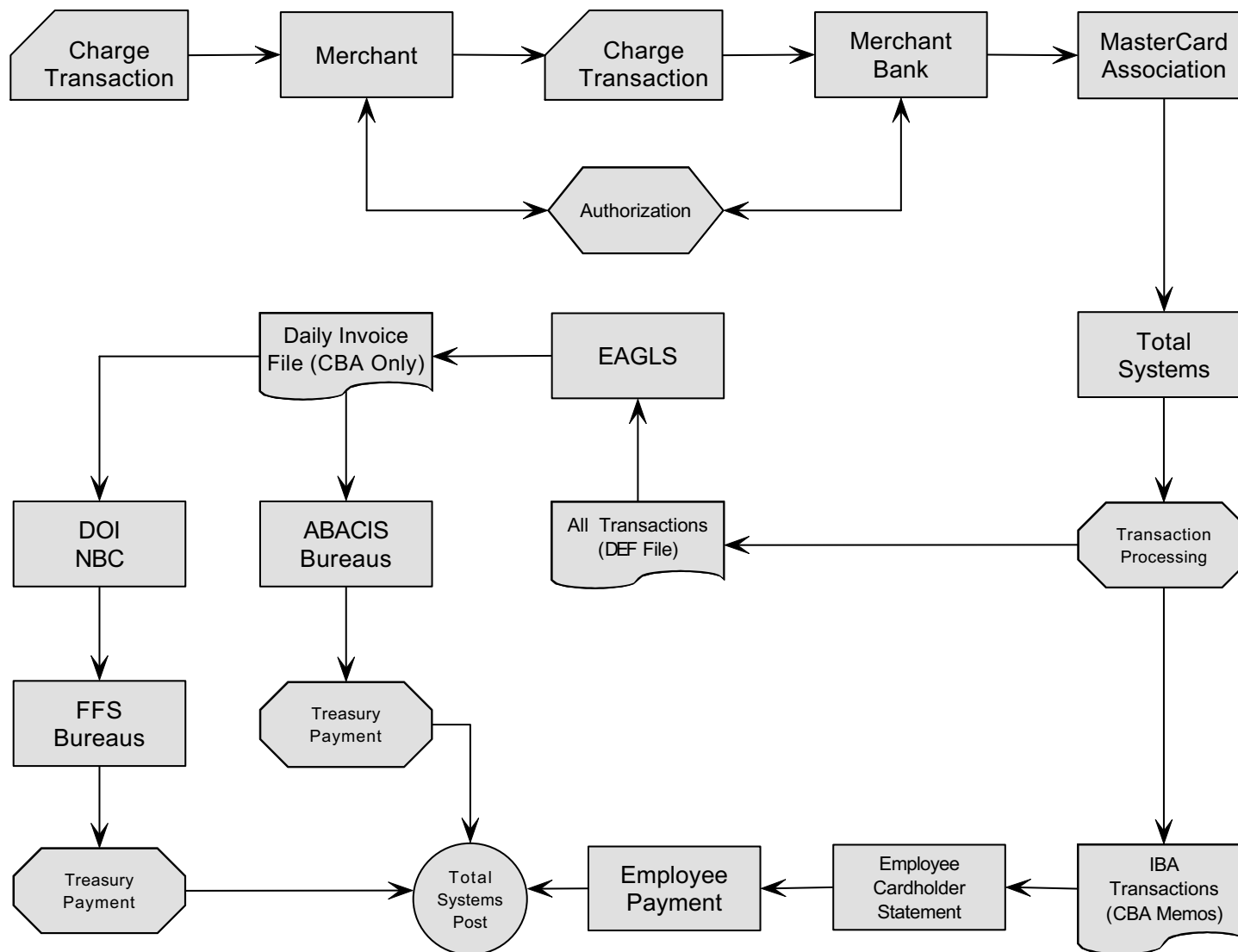
BOA SmartPay Program Account Maintenance

Part II-3



BOA SmartPay Program Transaction, Billing, and Payment Process

Part II-4



Part III. SmartPay Program Macro Event Cycles

Part III-1. Account Set-up

Part III-2. Account Maintenance

Part III-3. GCSU Card Set-up and Maintenance

Part III-4. Total Systems Services Transaction Processing and Payment

Part III-5. EAGLS Daily Invoice Transaction File Processing

Part III-6. DOI Invoice and Payment Processing

SmartPay Program Macro Event Cycle

A-1. Account Set-up

Part III-I

Action	APC	Employee	GCSU (BOA)	TOTAL SYS	EAGLS	Management Control Point	Control Weakness	Proposed Corrective Action
APC forwards application to employee (eligibility pre-determined by employee supervisor)	1					Supervisor determines employee eligibility for smart card .	None	None
Employee completes and signs application, supervisor reviews, and returns to APC		2				Employee provides personal data for security purposes.	None	None
APC document cardholder authorizations (dollar limits, MCC codes, accounting codes) on application per agency option set criteria.	3					Control over authorized codes resides with APC.	No supervisory review of authorization codes assigned to application	Review or verify assigned codes on sample basis.
APC forwards hard copy of application fax or mail to GCSU.	4					Control of applications forwarded and comparison with cards issued.	None	None
GCSU enters employer option set data online for TOTAL SYS and EAGLS.			5			Timely, accurate and secure transmission of data.	No post-entry validation of manually keyed data.	Post-entry validation of option set data by APC or designee.
TOTAL SYS initiates card development and individual account set-up.			6			Secure, timely and accurate card issuance system.	None	None
TOTAL SYS issues card and mailer instructions to employee on behalf of BOA (TOTAL SYS is an ISO 9000 organization). Undelivered cards are returned to BOA..				7		Secure, timely and accurate card issuance system.	No external review and approval of the accuracy of card authorization data.	Reconcile authorization data after card issuance based on exception reports.
Employee receives card and telephones BOA to activate card.		8				Employee responsible for activating card.	None.	None

Acronyms:

APC - Agency Program Coordinator, also A/OPC (Agency/Organization Program Coordinator)
GCSU - Government Card Services Unit
BOA - Bank of America (formerly NationsBank)
TOTAL SYS - Total Systems Services, Inc. (card issuance and transaction processing company)
CBA - Centrally Billed Accounts
IBA - Individually Billed Accounts
EAGLS - Electronic Account Government Ledger System
MCC - Merchant Charge Code

Legend

- / -- Transaction or process starting point and direction
 -- Transaction or process ending point
 -- Cycle end point

SmartPay Program Macro Event Cycle A-2. Account Maintenance

Part III-2

Action	APC	Employee	GCSU (BOA)	TOTAL SYS	EAGLS	Management Control Point	Control Weakness	Proposed Corrective Action
APC accesses GCSU data file to implement authorization, option set and or hierarchy revisions.	1		■			Appropriate passwords and other security for access exist.	None	None
Revisions are electronically posted to EAGLS account data update files by GCSU.			2		■	Secure, timely and accurate data transmission.	None	None
EAGLS “refreshes” account data files and transmits update of file maintenance to TOTAL SYS.				■	3	Daily updates of cardholder account maintenance.	EAGLS does not “refresh” account data maintenance files daily – one day lag weekdays; three day lag on weekends.	Require update and transmission to TOTAL SYS by 6:00 pm (EST) daily to ensure updates are reflected in TOTAL SYS daily processing
TOTAL SYS updates its account data files with the EAGLS maintenance file data.				4 ◆		Secure, timely and accurate data transmission.	None	None
APC accesses EAGLS for account maintenance except for authorization controls (option sets).	1 (New)				■	Appropriate passwords and other security for access exist.	None	None
Revisions entered into EAGLS updated to TOTAL SYS on-line.				■	2	Secure, timely and accurate data transmission	None	None
File refresh occurs for all prior day maintenance each business day to EAGLS from TOTAL SYS (DEF and account index).				3	4 ◆	Timely daily updates of cardholder account maintenance.	TOTAL SYS does not “refresh” account data maintenance files daily – one day lag weekdays; three day lag on weekends.	Require update by TOTAL SYS by 6:00 pm (EST).

Acronyms

DEF - Daily Electronic File (transactions)

Legend




/ -- Transaction or process starting point and direction

■ -- Transaction or process ending point

◆ -- Cycle or event ending point

















SmartPay Program Macro Event Cycle
B-1. GCSU Card Set-up, Account Issuance and Maintenance

Part III-3

Action	APC	GCSU (BOA)	TOTAL SYS	EAGLS	Management Control Point	Control Weakness	Proposed Corrective Action
APC forwards hard copy of employee application, authorization and option sets.	1 	■					
GCSU reviews submission, edits for consistency within established hierarchy and option sets, and manually keys account information on-line to TOTAL SYS.		2 	■		1. Ensuring accurate and complete application. 2. Control over applications processed and comparison with cards issued.	1. No independent verification of data keyed . GCSU inability to reject incomplete application. 2.No comparison of applications processed and cards issued.	1. Random sample comparison of data keyed to data per application by GCSU supervisory personnel.
TOTAL SYS processes new account file and creates charge card, mails card, Pin mailer, card activation code, convenience checks, etc. to employee, and updates its DOI transaction file			3		Timely, accurate and complete transmission of data; security over card issuance.	None	None
TOTAL SYS transmits new account data in the DEF file to update EAGLS each business day.		◆	 4		Timely updates to system records and individual account files.	Untimely daily update and refresh	Ensure all transactions are posted, accounts set-up, and DEF file transmission occur within prescribed timeframes.

SmartPay Program Macro Event Cycle
C-1. Total Systems Transaction Processing and Payment (1 of 2)

Part III-4

Action	Employee Card Holder	Merchant	Acquiring (Merchant) Bank	Master Card Assn.	TOTAL SYS	BOA EAGLS	Management Control Point	Control Weakness	Proposed Corrective Action
Employee cardholder initiates purchase transaction with merchant	1  (New)						Employee initiates authorized transaction.	Employee can use SmartPay card for personal transactions.	Review CBA and IBA charges for personal and inappropriate use, and termination of card privileges for abuse, in accordance with DOI policy.
Merchant swipes card at POS terminal for electronic purchase authorization approval by TOTAL SYS		2 					Only authorized transactions are processed.	Authorization codes do not prevent personal use.	Continuous review of CBA and IBA charges for personal and inappropriate use, and termination of card privileges for abuse.
TOTAL SYS electronic authorization processor compares merchant code with cardholder authorization and option set data file.					3		Only authorized transactions are processed.	None	None
TOTAL SYS notes all approved transaction in cardholder file for 5 days (logged for matching purposes).					4		Only authorized transactions are processed.	None	None
TOTAL SYS advises merchant electronically that purchase is either approved, requires further cardholder verification for approval, or is declined.					 5		Only authorized transactions are processed.	None	None
Merchant completes authorized purchase and deposits charge card receipt in its bank (Acquiring Bank) for payment.		6 					Only authorized transactions are processed.	None	None
Acquiring Bank processes all merchant MasterCard deposits and forwards transaction data electronically to MasterCard Association (clearing house).			7 				Only authorized transactions are processed.	None	None
Association pays Acquiring Bank				 8			Only authorized transactions are processed.	None	None
Association consolidates BOA MasterCard transactions from all Acquiring Banks and forwards electronic transaction file to TOTAL SYS				9 			Independent aggregation of all BOA charge card transactions.	None	None
TOTAL SYS remits payment for all transactions to the Association					 10		Only authorized charges are paid.	None	None
TOTAL SYS posts Association files and files from BOA with cardholder convenience checks, ATM transactions and fees, and payments.					1 (New)		Only authorized transactions are processed.	No edit to prevent a transaction from posting if it has not been authorized.	Establish edit for posting.
TOTAL SYS prepares files for posting.					2		Only authorized transactions are processed.	None	None




SmartPay Program Macro Event Cycle

C-1. Total Systems Transaction Processing and Payment (2 of 2)

Part III-4

Action	Employee Card Holder	Merchant	Acquiring (Merchant) Bank	Master Card Assn.	TOTAL SYS	BOA EAGLS	Management Control Point	Control Weakness	Proposed Corrective Action
TOTAL SYS compares individual charge card transaction to the authorization requests in the individual file. Authorizations purged after 5 days.					3		Only authorized transactions are processed.	Unauthorized charges are posted.	None, can be disputed and charged back to merchant.
TOTAL SYS sorts cardholder charges by IBA and CBA (diverted transactions). Transactions diverted to the agency CBA file are tagged as "memo" entries in the IBA file and are printed on the individual cardholder statement when issued.					4		Only authorized transactions are processed.	None	None
IBA transactions are posted daily and accumulated for a monthly statement cycle.	◆				5		Only authorized transactions are processed, cardholder remits payment timely.	Frequency of IBA charges review by supervisor, delinquent or no payments	Frequent IBS charge reviews by supervisors, enforcement of delinquent debt policies.
IBA and CBA transactions (charges and payments) are accumulated to develop the Daily Electronic File (DEF). The DEF is sent to EAGLS Tues. through Sat.					1 (New)		Only authorized transactions are processed.	None	None
BOA Accounting Group performs its daily balancing process which reconciles all Association transactions and BOA transactions received with the transactions posted to IBA, CBA and suspense accounts.						2	Only authorized transactions are processed.	None	None
BOA Accounting Group analyzes rejected transactions and posts transactions to IBA or CBA accounts.				◆		3	Only authorized transactions are processed.	None	None









Legend

-  - Transaction starting point and direction
 - Transaction ending point
 - Cycle or event ending point


SmartPay Program Macro Event Cycle


D-1. EAGLS Daily Invoice Transaction File Processing


Part III-5

Action	DOI Personnel	DOI NBC and BFOs	GCSU	TOTAL SYS	BOA EAGLS	Management Control Point	Control Weakness	Proposed Corrective Action
TOTAL SYS forwards DEF file electronically to EAGLS which includes both transaction charges and payments.				1 		Transaction file includes all charges and payments.	None	None
DEF file sorted by agency and bureau., and "stripped" of payment.					2	Transaction file sorted and processed by bureau to facilitate posting and payment.	None	None
Mis-diverted charges are identified and posted to appropriate bureaus.					3	Erroneous transactions edited and diverted from further processing.	None	None
Authorized DOI personnel access EAGLS and review, edit, and reallocate transactions as necessary.	4					Access based on pre-established security profiles.	None	None
Daily Invoice Report populated.					5	Standard report generated and analyzed to verify accuracy and completeness of file.	None	None
Daily cycle balancing and exception reports.					6	Standard report generated and analyzed to verify accuracy and completeness of file.	None	None
DOI bureau invoice files generated and forwarded to bureau mailboxes.					 7	File transmission dependent on Department authorization	None	None
Bureaus advise BOA of daily transaction file errors (if any) and request corrected file.		8 				Transaction files are subjected to preliminary edits.	None	None
BOA re-transmits any corrected files to DOI bureaus.					 9	Transactions are not entered into accounting system until edits are complete.	None	None

Legend

 -- Transaction starting point and direction

 -- Transaction ending point

 -- Cycle or event ending point

SmartPay Program Macro Event Cycle

E-1. DOI Daily Invoice Transaction File Processing and Payment

Part III-6

Action	BFO	BOA Nations Bank	TOTAL SYS	EAGLS	U.S. Treasury	Management Control Point	Control Weakness	Proposed Corrective Action
EAGLS generates daily invoice transaction files for DOI bureaus.	■			➡ 1		Files are not transmitted without prior approval.	None	None
Files are electronically transmitted to designated bureau mailboxes and mainframes.	■			➡ 2		Transaction files are routed to appropriate bureau.	None	None
FFS and ABACIS bureaus perform bureau-specific file verification processes (see edit notes below).	3					BOA files are subjected to bureau preliminary edits before further processing	None	None
If errors are detected, bureaus notify BOA and request corrections.	4	■				Erroneous or corrupt transaction files are not entered in accounting system	None	None
BOA corrects bad files and re-submits to bureaus.		➡ 5				Only edited transaction files are entered into the accounting system	None	None
Bureaus process nightly cycles and complete file postings.	6					Payment transactions processed within established time constraints	None	None
Payment file certified and transmitted on next direct deposit automated schedule to U.S. Treasury (payment due date is file receipt date in most instances).	7 ➡				■	Payment file not transmitted until certified by appropriate official.	None	None
Treasury initiates electronic payment to BOA.		■			➡ 8	EFT payment and audit trail.	None	None
BOA posts payment to billing account.		9				Department control and verification of processing status.	None	None
Bureaus conduct post-payment reviews in accordance with DOI policy.	10					Payments are reviewed and validated, and subsequent payments are adjusted.	None	None

Legend

- ➡/➡ - Transaction starting point and direction
 ■ - Transaction ending point
 ◆ - Cycle or event ending point

ABACIS File Verification Edits by Bureaus:

Total invoice dollar amount to detailed transaction cost record (no duplicate entry check) – source Karen Baker (OS).

FFS File Verification Edits by DOI/NBC:

Compare detailed transaction dollar amount and record count to file header summary totals; duplicate transactions identified; and, compare dollar totals per transaction file with total dollar per EAGLS e-mail notification to specific bureaus – source John Stabler DOI/NBC.

Part IV. Event Cycles By Business Function

Part IV-1. Purchase and Convenience Check Transactions

Part IV-2. Travel Transactions

Part IV-3. Fleet Transactions

Event Cycles By Business Function Purchase Process (1 of 2)

Part IV-I

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>1. Issuance of Charge Card With Line Authority</u></p> <p>A. Supervisor determines employee need for charge card and submits application to APC</p> <p>B. APC determines eligibility for credit card</p> <p>C. Train employee on use of purchase credit card procedures</p> <p>D. APC submits application to BOA with dollar limits, option sets, accounting code</p> <p>E. BOA processes request and issues credit card to employee based on APC request</p> <p>F. Employee contacts BOA to activate card</p>	<p>1A. Unauthorized employee issued purchase charge card</p> <p>1B. Employee with past credit card abuses/problems issued card</p> <p>1C. Card users not familiar with credit card policies, procedures, and regulations covering use of card</p> <p>1D. Card user issued credit card with erroneous limits, option sets, accounting code</p> <p>1E. Credit card issued to wrong person</p> <p>1F. Unauthorized person has access to card</p>	<p>1A. Only authorized person should be issued purchase card</p> <p>1B. Employee with past credit card abuses should not be designated to purchase goods and services</p> <p>1C. All purchase card users should be given training on purchase card policies, procedures and regulations</p> <p>1D. Cardholder issued card with proper dollar limits, option set, and accounting code</p> <p>1E. Purchase card should be issued to authorized individual</p> <p>1F. Restrict access to purchase card</p>	<p>1A. Develop written policies and procedures on covering purchase card (eligibility, use of card, record keeping, etc.)</p> <p>1B. Approving official reviews eligibility using written policies and procedures and reviews reports provided by prior charge card merchant</p> <p>1C. Provide training to all APCs, Reviewing Officials, and persons issued purchase cards on policies, procedures, and regulations</p> <p>1D. APC reviews BOA monthly card holder report and new card issuance reports to verify dollar limits, option sets, accounting code, & etc.</p> <p>1E. APC confirms with cardholder purchase credit card issued</p> <p>1F. Cardholder confirms unique personal information with BOA to activate card (i.e., ssn, mother's maiden name)</p>
<p><u>2. Cardholder Usage</u></p> <p>A. Cardholder maintains a record of purchases charged</p> <p>B. BOA issues invoice of user charges from transactions processed by merchants</p>	<p>2A. Unauthorized or improper purchases could be made</p> <p>2B. Improper user purchases could go undetected</p>	<p>2A. Only authorized purchases should be made</p> <p>2B. Review should be made for improper and unauthorized purchases</p>	<p>2A. Reviewing official performs a review of exception reports and user purchase documentation to verify validity of purchase</p> <p style="margin-left: 20px;">i. Unauthorized purchases are repaid</p> <p style="margin-left: 20px;">ii. Appropriate disciplinary action taken immediately</p> <p>2B. Reviewing official randomly selects BOA invoices to review for improper and unauthorized purchases. Reviewing official analyzes exception reports.</p>

Event Cycles By Business Function Purchase Process (2 of 2)

Part IV-I

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>3. Receipt of Transactions File from BOA</u></p> <p>A. BOA accumulates data and provides daily transaction file to Department</p>	<p>3A. Daily transaction file contains numerous errors</p>	<p>3A. Accurate transaction data on purchase charges should be received</p>	<p>3A. An electronic edit is performed of bureau invoice to compare invoice total with detailed transaction total balance</p>
<p><u>4. Payment of BOA Invoice</u></p> <p>A. Schedule BOA invoice for payment and enter into accounting system</p>	<p>4A1. Incorrect and improper payments made</p> <p>4A2. Untimely payments</p>	<p>4A1. Correct and proper invoice payments should be made</p> <p>4A2. Payments should be processed timely</p>	<p>4A1. Perform a post payment review of invoice payment to determine that proper and correct amount paid</p> <p>4A2. Bureaus review status of funds report to monitor expenses</p>
<p><u>5. Review of Transaction Data</u></p> <p>A. Monthly financial report received</p> <p>B. Fleet credit card statement received</p> <p>C. Timely adjustments made as identified</p>	<p>5A. Inaccurate monthly financial report received</p> <p>5B. Inaccurate cardholder statement of charges transmitted by BOA</p> <p>5C. Timely adjustments not made or are made incorrectly</p>	<p>5A. BOA monthly financial report should be accurate</p> <p>5B. Cardholder statement should be accurate</p> <p>5C. Timely adjustments should be made correctly</p>	<p>5A. Review monthly financial report and perform adjustments, allocations, and reallocation of costs</p> <p>5B. Review fleet credit card statement for proper charges, misuse, accounting code, BOC, and compare charges on statement with receipts maintained by user on sample basis</p> <p>5C. Written policies and procedures include identification and posting of adjustments between administration and program offices</p>

Event Cycles By Business Function

Convenience Check Process (1 of 4)

Part IV-I

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>1. Issuance of Convenience Checks</u></p> <p>A. Supervisor determines employee need for convenience checks and submits application to APC.</p> <p>B. Train employee on appropriate use of convenience checks.</p> <p>C. APC submits convenience check request to BOA with name, single check dollar limits, option set, and accounting code.</p> <p>D. BOA processes request and issues convenience checks to APC or designee based on APC request</p> <p>E. Checkwriter to safeguard and verify convenience check preprinted information</p>	<p>1A. Unauthorized employee is issued convenience checks.</p> <p>1B.. Convenience check users not familiar with convenience check policies, procedures, and procurement regulations covering use of checks</p> <p>1C. Checkwriter issued convenience checks with erroneous limits, option sets, accounting code. Checks do not have the bureau name, employee's name and single check limit imprinted on the check</p> <p>1D.. Convenience checks are issued to wrong person</p> <p>1E.. Unauthorized employee has access to checks.</p>	<p>1A. Only authorized employee should be issued convenience checks.</p> <p>1B. All convenience check users should be trained on convenience check policies, procedures and procurement regulations</p> <p>1C. The checkwriter should be issued checks with proper dollar limits, option set, and accounting code. Checks are imprinted with the bureau name, employee's name and single check limit.</p> <p>1D. Convenience checks should be issued to authorized employee</p> <p>1E. Access should be restricted to convenience checks.</p>	<p>1A. Written policies and procedures covering the issuance and use of convenience checks</p> <p>1B Provide training to all employees issued convenience checks on policies, procedures, and procurement regulations</p> <p>1C. APC reviews BOA monthly card holder and new card issuance reports to verify dollar limits, option sets, accounting code, & etc. APC, designee or supervisor reviews daily report of Convenience Checks Written.</p> <p>1D. APC confirms that Convenience checks were issued</p> <p>1E. Checkwriter confirms unique personal information on checks (bureau name, employee's name and single check limit imprinted on the check) and maintains check supply in a secure location.</p>

**Event Cycles By Business Function
Convenience Check Process (2 of 4)**

Part IV-I

Event Cycle	Risks	Control Objectives	Control Techniques
<p>2. <u>Checkwriter Usage</u></p> <p>A. Checkwriter writes checks and keeps a log and receipts of purchases</p> <p>B. <u>Collection of 1099 Information</u></p> <p>C. <u>Administrative Review</u></p>	<p>2A. Improper, unauthorized, or undocumented purchases could be made</p> <p>2B. Incomplete or erroneous reporting to IRS</p> <p>2C. Convenience check policy not being followed, checks issued out of sequence or lost/stolen</p>	<p>2A. Only proper, authorized, and documented purchases should be made</p> <p>2B1. Obtain complete 1099 information periodically and enter into the accounting system (VPYA--Vendor Prior Year Amount-- in FFS.)</p> <p>2C. Policies should be followed and checks adequately safeguarded</p>	<p>2A1. Reviewing official performs a review of user purchase documentation to verify validity of purchase</p> <p>2A2. APC or designee review report of Convenience Checks Written from FFS and EAGLS exception reports.</p> <p>2B. APC, designee or supervisor review of check documentation and 1099 forms as outlined in written policies and procedures.</p> <p>2C. Periodic review and audit of check supply, check register, documentation supporting issuance of check, and adherence to regulations by APC, designee or supervisor.</p>

**Event Cycles By Business Function
Convenience Check Process (3 of 4)**

Part IV-I

Event Cycle	Risks	Control Objectives	Control Techniques
<p>3. <u>Charge billed to Bureau by BOA</u></p>	<p>3A. BOA bills another Bureau's charges to your account</p> <p>3B Charges to IBA or CBA are incorrect or the MCC Codes are incorrect</p> <p>3C. Incorrect transfer of charges by BOA</p> <p>3D. Charge on statement or EAGLS does not show up in accounting system</p> <p>3E. Daily transaction file contains incorrect CBA data</p>	<p>3A. The correct Bureau should be billed</p> <p>3B. Charges to IBA or CBA should be correct</p> <p>3C. Transfer of charges should be done correctly and are in the proper place</p> <p>3D. Accounting system records should be correct and complete</p> <p>3E. Accurate transaction data on CBA charges should be received from BOA</p>	<p>3A1. Accounting system review of reports of transactions at the designated organizational level</p> <p>3A2. Review of the NationsBank Diverted Accounts Report</p> <p>3B1. Cardholder reports IBA charge that should have been billed as a CBA when statement is reviewed</p> <p>3B2. Administrative office review catches CBA charge that should have been IBA</p> <p>3C1 Cardholder reports IBA charge that should have been transferred to CBA when following month's statement is reviewed</p> <p>3C2. Administrative office review of following month's statement identifies CBA charge that should have been transferred to IBA</p> <p>3D1. Accounting system cardholder transaction report to be compared to cardholder statement</p> <p>3D2. Review of BOA exception reports such as Diverted accounts report.</p> <p>3E1. Cardholder and Administrative review of statement data identifies incorrect data which is then disputed. Action taken to correct error.</p> <p>3E2. An electronic edit is performed of bureau invoice to compare invoice total with detailed transaction total balance.</p>

**Event Cycles By Business Function
Convenience Check Process (4 of 4)**

Part IV-I

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>4. Receipt of Transactions File from BOA</u></p> <p>A. BOA accumulates expenditure data and provides daily transaction file to Department</p> <p>B. Transaction file data entered into accounting system</p>	<p>4A. Daily transaction file of centrally billed fleet charges is incomplete or not received</p> <p>4B. Incomplete data entered into accounting system</p>	<p>4A. Daily transaction data on centrally billed fleet charges should be received</p> <p>4B. Transaction data should be posted to accounting systems</p>	<p>4A. An electronic edit is performed of bureau centrally billed invoice to compare invoice total with detailed transaction total balance</p> <p>4B. Written policies and procedures to control the completeness of transaction data</p>
<p><u>5. Payment of BOA Invoice</u> - Schedule BOA invoice for payment and enter into accounting system</p>	<p>5A1. Incorrect and improper payments made.</p> <p>5A2. Untimely payments</p>	<p>5A1. Correct and proper invoice payments are made.</p> <p>5A2. Payments should be processed timely</p>	<p>5A1. Perform a post payment review of invoice payment to determine that proper and correct amount paid. Bureaus review Status of Funds report to monitor expenses</p> <p>5A2. Written policies and procedures to control the timely processing of payments</p>
<p><u>6. Review of Transaction Data</u></p> <p>A. Monthly financial report received</p> <p>B. Fleet credit card statement received</p> <p>C. Timely adjustments made as identified</p>	<p>6A. Inaccurate monthly financial report received</p> <p>6B. Inaccurate fleet credit card statement of charges transmitted by BOA</p> <p>6C. Timely adjustments not made or made incorrectly</p>	<p>6A. BOA monthly financial report should be accurate</p> <p>6B. Fleet credit card statement should be accurate</p> <p>6C. Adjustments should be timely made and correctly</p>	<p>6A. Review monthly financial report and perform adjustments, allocations, and reallocation of costs</p> <p>6B. Review fleet credit card statement for proper charges, misuse, accounting code, BOC, and compare charges on statement with receipts maintained by user on sample basis</p> <p>6C. Written policies and procedures include identification and posting of adjustments between administration and program offices</p>

**Event Cycles By Business Function
Travel Process (1 of 8)**

Part IV-2

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>1. Issuance of Credit Card</u></p> <p>A. Supervisor determines employee need for government charge card and submits application to APC.</p> <p>B. Employee's supervisor determines eligibility for government charge card</p> <p>C. Train APC, Reviewing Officials, employee on appropriate use of the government charge card</p> <p>D. APC submits application to BOA with dollar limits, option sets, accounting code</p> <p>E. BOA processes request and issues government charge card to employee based on APC request</p> <p>F. Employee contacts BOA to activate card</p>	<p>1A. Unauthorized employee is issued government charge card</p> <p>1B. Employee with past government charge card abuses/problems issued government charge card</p> <p>1C. Card users not familiar with travel card policies, procedures, and regulations makes unauthorized purchases</p> <p>1D. Employee issued government charge card with erroneous limits, option sets, accounting code</p> <p>1E. Government charge card issued to wrong employee</p> <p>1F. Unauthorized employee has access to government charge card</p>	<p>1A. Only authorized employee should be issued government charge card</p> <p>1B. Employee with past credit card abuses should not be designated to receive government charge card</p> <p>1C. All travel card users and reviewers should be trained on travel card policies, procedures and regulations</p> <p>1D. Employee should be issued government charge card with proper dollar limits, option set, and accounting code</p> <p>1E. Government charge card should be issued to authorized employee</p> <p>1F. Restrict access to government charge card</p>	<p>1A. Written policies and procedures covering the government charge card (eligibility for travel card, use of card, statement review, record maintenance, etc.)</p> <p>1B. Employee's supervisor reviews eligibility using written policies and procedures and reviews reports provided by prior travel card vendor or prior APC.</p> <p>1C. Provide training to all persons issued government charge card on policies, procedures, and regulations</p> <p>1D&E. APC reviews BOA monthly government charge cardholder and new card issuance reports to verify dollar limits, option sets, accounting code, & etc. from original application</p> <p>1F. Cardholder confirms unique personal information with BOA in order to activate government charge card (i.e., social security #, mother's maiden name). Cardholder agrees to and signs the employee agreement.</p>

Part IV-2

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Part IV-2

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**Event Cycles By Business Function
Travel Process (4 of 8)**

Part IV-2

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>C. Lodging Expenses</u></p> <p>C1. Cardholder makes reservation</p> <p>C2. Lodging used by cardholder</p>	<p>2C1. Unauthorized or improper reservation could be made, such as personal lodging expenses</p> <p>2C2. Improper purchases could go undetected</p>	<p>2C1. Only authorized lodging reservations should be made</p> <p>2C2. A review should be made for improper and unauthorized purchases</p>	<p>2C1A. Reviewing official and APC perform reviews of user lodging expenses to verify validity.</p> <p>2C1B. Require traveler to use BOA government charge card number to obtain lodging for official travel.</p> <p>2C2A. Reviewing official randomly selects and audits BOA invoices to review for improper and unauthorized lodging charges.</p> <p>2C2B. Reviewing official verifies cardholder statement and receipts for unauthorized lodging charges.</p> <p>2C2C. Travel voucher is audited for lodging receipts to verify lodging expenses and to identify unauthorized lodging charges.</p> <p>2C2D. Exception reports from BOA show unauthorized lodging charges.</p>

**Event Cycles By Business Function
Travel Process (5 of 8)**

Part IV-2

Event Cycle	Risks	Control Objectives	Control Techniques
<p>D. <u>ATM Withdrawal</u></p> <p>D1. Cardholder uses card at ATM and obtains cash advance for travel</p>	<p>2D1. Unauthorized or improper withdrawal unrelated to official travel could go undetected</p>	<p>2D1. A review should be made to ensure that only authorized ATM withdrawals are made</p>	<p>2D1A. Reviewing official and APC perform review of user travel charges to verify validity of ATM withdrawals</p> <p>2D1B. Reviewing officials shall use exception reports from BOA to monitor ATM withdrawals.</p> <p>2D1C. Vouchers are examined to audit for excessive ATM withdrawals</p> <p>2D1D. Reviewing official verifies cardholder statement and receipts for unauthorized ATM withdrawals</p>

**Event Cycles By Business Function
Travel Process (6 of 8)**

Part IV-2

Event Cycle	Risks	Control Objectives	Control Techniques
<p>3. <u>Charge billed to Bureau by NationsBank (BOA)</u></p>	<p>3A. BOA bills another Bureau's charges to your account</p> <p>3B Charges to IBA or CBA are unauthorized or incorrect</p> <p>3C. Incorrect transfer of charges by BOA</p> <p>3D. Charge on statement or EAGLS does not show up in accounting system</p> <p>3E. Daily transaction file contains incorrect CBA data</p>	<p>3A. The correct Bureau should be billed</p> <p>3B. Charges to IBA or CBA should be authorized and correct</p> <p>3C. Transfer of charges should be done correctly and are in the proper place</p> <p>3D. Accounting system records should be correct and complete</p> <p>3E. Accurate transaction data on CBA charges should be received from BOA</p>	<p>3A1. Accounting system review of reports of transactions at the designated organizational level</p> <p>3A2. Review of the BOA Diverted Accounts Report</p> <p>3B1. Cardholder reports IBA charge that should have been billed as a CBA when statement is reviewed</p> <p>3B2. Administrative office review catches CBA charge that should have been IBA</p> <p>3C1 Cardholder reports IBA charge that should have been transferred to CBA when following month's statement is reviewed</p> <p>3C2. Administrative office review of following month's statement identifies CBA charge that should have been transferred to IBA</p> <p>3D1. Accounting system cardholder transaction report to be compared to cardholder statement</p> <p>3D2. Review of BOA exception reports such as Diverted accounts report.</p> <p>3E1. Cardholder and Administrative review of statement data identifies incorrect data which is then disputed. Action taken to correct error.</p> <p>3E2. An electronic edit is performed of bureau invoice to compare invoice total with detailed transaction total balance.</p>

**Event Cycles By Business Function
Travel Process (7 of 8)**

Part IV-2

Event Cycle	Risks	Control Objectives	Control Techniques
4. Billing statement sent to Cardholder	4. Cardholder does not pay statement by due date	4. Cardholder should make payment in accordance with Departmental policies and procedures.	4. DOI policy on delinquencies Monitor Delinquency Report and Transaction Report by Cardholder from EAGLS for potential misuse and abuse of card privileges
5. Receipt of Transactions File from BOA A. BOA accumulates expenditure data and provides daily transaction file to Department B. Transaction file data entered into accounting system	5A. Daily transaction file of centrally billed fleet charges is incomplete or not received 5B. Incomplete data entered into accounting system	5A. Daily transaction data on centrally billed fleet charges should be received 5B. Transaction data should be posted to accounting systems	5A. An electronic edit is performed of bureau centrally billed invoice to compare invoice total with detailed transaction total balance 5B. Written policies and procedures to control the completeness of transaction data
6. <u>Payment of BOA Invoice</u> - Schedule BOA invoice for payment and enter into accounting system	6A1. Incorrect and improper payments made. 6A2. Untimely payments	6A1. Correct and proper invoice payments should be made. 6A2. Payments should be processed timely	6A1. Perform a post payment review of invoice payment to determine that proper and correct amount paid. Bureaus review Status of Funds report to monitor expenses 6A2. Written policies and procedures to control the timely processing of payments

Event Cycles By Business Function
Travel Process (8 of 8)

Part IV-2

Event Cycle	Risks	Control Objectives	Control Techniques
<p>7. <u>Review of Transaction Data</u></p> <p>A. Monthly financial report received from BOA</p> <p>B. Government Travel card statement received from BOA</p> <p>C. Timely adjustments made as identified</p>	<p>7A. Inaccurate monthly financial report received from BOA</p> <p>7B. Inaccurate Travel credit card statement of charges transmitted by BOA</p> <p>7C. Timely adjustments not made or made incorrectly</p>	<p>7A. BOA monthly financial report should be accurate</p> <p>7B. Travel credit card statement should be accurate</p> <p>7C. Timely adjustments should be made correctly</p>	<p>7A. Review monthly financial report and perform adjustments, allocations, and reallocation of costs</p> <p>7B. Review travel credit card statement for proper charges, misuse, accounting code, BOC, and compare charges on statement with receipts maintained by user on sample basis</p> <p>7C. Written policies and procedures include identification and posting of adjustments between administration and program offices</p>

Event Cycles By Business Function Fleet Process (1 of 3)

Part IV-3

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>1. Issuance of Credit Card</u></p> <p>A. Supervisor/fleet manager request fleet credit cards through APC</p> <p>B. Train users on proper use of fleet credit card</p> <p>C. APC submits fleet credit card application to BOA with dollar limits, option sets, and accounting code</p> <p>D. BOA processes request and issues fleet credit card based on APC request</p> <p>E. Fleet manager assigns a fleet credit card to a specific vehicle, major piece of equipment, boat, or aircraft</p> <p>F. Fleet manager contacts BOA to activate fleet credit card</p>	<p>1A. Unauthorized fleet credit cards requested and issued</p> <p>1B. Fleet credit card user not familiar with card procedures and regulations on use of fleet card</p> <p>1C. Fleet managers issued credit cards with erroneous dollar limits, option sets, or accounting code</p> <p>1D. Fleet credit card issued to wrong fleet manager</p> <p>1E. Fleet credit card erroneously issued and assigned to vehicles, major equipment, boat, or aircraft</p> <p>1F. Unauthorized use of credit card for charges other than those associated with specific vehicle, boat, aircraft, or major equipment</p>	<p>1A. Only authorized fleet credit cards should be requested and issued</p> <p>1B. All fleet credit card users should be trained on fleet card use procedures and regulations</p> <p>1C. Fleet credit cards should be issued with proper dollar limits, option set, and accounting code by Bank of America (BOA)</p> <p>1D. Fleet credit card should be issued to authorized fleet manager</p> <p>1E. Fleet credit card should be properly issued and assigned to vehicles, major equipment, boat, or aircraft</p> <p>1F. Access to fleet credit card should be safeguarded</p>	<p>1A. Written policies and procedures covering the issuance and use of fleet credit cards</p> <p>1B. Provide training to all fleet credit card users on policies, procedures, and regulations.</p> <p>1C. APC reviews BOA monthly fleet credit card holder report and new card issuance reports to verify dollar limits, option sets, accounting code, and etc.</p> <p>1D. APC confirms with fleet manager that fleet credit card was issued</p> <p>1E. Approving official reviews fleet manager listing of fleet cards assigned to vehicles, major equipment, boat, or aircraft</p> <p>1F. Fleet manager establishes controls to restrict access to fleet credit card and confirms unique card information with BOA to activate credit card</p>

Event Cycles By Business Function Fleet Process (2 of 3)

Part IV-3

Event Cycle	Risks	Control Objectives	Control Techniques
<p><u>2. Fleet Credit Card Usage</u></p> <p>A. Fleet users maintain a record of charges incurred</p> <p>B. BOA issues centrally billed invoice of fleet credit card transactions processed by merchants</p> <p>C. BOA refund taxes paid for gasoline</p>	<p>2A. Unauthorized or improper charges made with fleet credit card</p> <p>2B. Improper fleet credit card user charges could go undetected</p> <p>2C. BOA does not refund gasoline taxes</p>	<p>2A. Only authorized fleet charges should be incurred</p> <p>2B. Centrally billed invoices should be reviewed for improper or unauthorized purchases</p> <p>2C. Taxes should not be included in BOA invoice for fleet charges</p>	<p>2A. Fleet managers perform a random review of user purchase receipts to verify validity of purchase</p> <p>2B. Fleet managers randomly select BOA centrally billed fleet invoices to conduct a detailed review for improper or unauthorized purchases</p> <p>2C. Review monthly reports of transaction details</p>
<p><u>3. Receipt of Transactions File from BOA</u></p> <p>A. BOA accumulates expenditure data and provides daily transaction file to Department</p> <p>B. Transaction file data entered into accounting system</p>	<p>3A. Daily transaction file of centrally billed fleet charges is incomplete or not received</p> <p>3B. Incomplete data entered into accounting system</p>	<p>3A. Daily transaction data should be received on centrally billed fleet charges</p> <p>3B. Transaction data should be posted to accounting systems</p>	<p>3A. An electronic edit is performed of bureau centrally billed invoice to compare invoice total with detailed transaction total balance</p> <p>3B. Written policies and procedures to control the completeness of transaction data</p>
<p><u>4. Payment of BOA Fleet Invoice</u></p> <p>A. Schedule BOA fleet invoice for payment and enter into accounting system</p>	<p>4A1. Incorrect and improper payments made</p> <p>4A2. Untimely Payments</p>	<p>4A1. Correct and proper invoice payments should be made</p> <p>4A2. Payments should be processed timely</p>	<p>4A1. Perform a post payment review of invoice payment to determine that proper and correct amount paid. Bureaus review status of funds report to monitor expenses</p> <p>4A2. Written policies and procedures to control the timely processing of payments.</p>

**Event Cycles By Business Function
Fleet Process (3 of 3)**

Part IV-3

Event Cycle	Risks	Control Objectives	Control Techniques
<u>5. Review of Transaction Data</u> A. Monthly financial report received B. Fleet credit card statement received C. Timely adjustments made as identified	5A. Inaccurate monthly financial report received 5B. Inaccurate fleet credit card statement of charges transmitted by BOA 5C. Timely adjustments not made or made incorrectly	5A. BOA monthly financial report should be accurate 5B. Fleet credit card statement should be accurate 5C. Timely adjustments made correctly	5A. Review monthly financial report and perform adjustments, allocations, and reallocation of costs 5B. Review fleet credit card statement for proper charges, misuse, accounting code, BOC, and compare charges on statement with receipts maintained by user on sample basis 5C. Written policies and procedures include identification and posting of adjustments between administration and program offices